

PROPOSITION 103 **OFFICIAL TITLE**

SENATE CONCURRENT RESOLUTION 1005

PROPOSING AN AMENDMENT TO THE CONSTITUTION OF ARIZONA; AMENDING ARTICLE XV, SECTION 1, CONSTITUTION OF ARIZONA; RELATING TO CORPORATION COMMISSION MEMBERSHIP.

TEXT OF PROPOSED AMENDMENT

Be it resolved by the Senate of the State of Arizona, the House of Representatives concurring:

1. Article XV, section 1, Constitution of Arizona, is proposed to be amended as follows if approved by the voters and on proclamation of the Governor:

1. Term limits on corporation commission; composition; election; office vacancies; qualifications

Section 1. A. No member of the corporation commission shall hold that office for more than ~~one~~ TWO consecutive term TERMS. No corporation commissioner, ~~after serving that term,~~ may serve AGAIN in that office until out of office for one full term. Any person who serves one half or more of a term shall be considered to have served one term for purposes of this section. ~~This limitation shall apply to terms of office beginning on or after January 1, 1993.~~

B. A corporation commission is hereby created to be composed of ~~three~~ FIVE persons who shall be elected at the general election ~~to be held under the provisions of the enabling act approved June 20, 1940,~~ and whose term of office shall be ~~co-terminous with that of the governor of the state elected at the same time~~ FOUR YEARS, and who shall maintain their chief office, ~~and reside,~~ at the state capital. THE TWO ADDITIONAL COMMISSION MEMBERS SHALL BE

ELECTED AT THE 2002 GENERAL ELECTION FOR INITIAL TWO-YEAR TERMS BEGINNING ON THE FIRST MONDAY IN JANUARY, 2003. THEREAFTER, ALL TERMS SHALL BE FOUR-YEAR TERMS. ~~At the first general state election held under this constitution at which a governor is voted for, three commissioners shall be elected who shall, from and after the first Monday in January next succeeding said election, hold office as follows:~~

~~The one receiving the highest number of votes shall serve six years, and the one receiving the second highest number of votes shall serve four years, and the one receiving the third highest number of votes shall serve two years. And one commissioner shall be elected every two years thereafter.~~

C. In case of vacancy in ~~said~~ THE office, the governor shall appoint a commissioner to fill ~~such~~ THE vacancy. ~~Such~~ THE appointed commissioner shall fill ~~such~~ THE vacancy until a commissioner shall be elected at a general election as provided by law, and shall qualify. The qualifications of commissioners may be prescribed by law.

2. The Secretary of State shall submit this proposition to the voters at the next general election as provided by article XXI, Constitution of Arizona.

ANALYSIS BY LEGISLATIVE COUNCIL

The Corporation Commission regulates certain utilities and railroads in this state and handles the incorporating process and regulates the securities industry in this state.

Under current law, the Corporation Commission consists of three members each elected to a six year term of office. Each member may only serve a single consecutive six year term and must be out of office for a full term before being eligible to serve again.

Proposition 103 would amend the Arizona Constitution to expand the Corporation Commission to five members and to change the term of office to four years. Proposition 103 also would limit a member to two consecutive terms in office and would require a member to be out of office for at least one full term before being eligible to serve again.

This proposition also provides for a phase in process for the additional Corporation Commission members. Beginning with the election in 2002, the two new members would both serve a two year term and all later terms of office would be for a four year term.

ARGUMENTS "FOR" PROPOSITION 103

The East Valley Chambers of Commerce Alliance supports Proposition 103. The Alliance comprises more than 4,200 businesses in the communities of Ahwatukee Foothills, Apache Junction, Chandler, Gilbert, Mesa and Tempe as well as the East Valley Partnership.

Greater deliberation created by increased membership and shorter terms will clearly benefit all Arizona citizens. The members of the Alliance believe that Proposition 103 will significantly improve the Arizona Corporation Commission (ACC). Increased accountability, responsiveness to the public, consistency in policy and organizational stability will occur with implementation of this measure. As the branch of government charged to protect the Arizona public, the Alliance finds passage of Proposition 103 to be critical.

The East Valley Chambers of Commerce Alliance urges a **YES** vote on Proposition 103.

Tony Hyland, Chairman, East Valley Chambers of Commerce Alliance, Gilbert
Paid for by East Valley Chambers of Commerce Alliance

Craig Ahlstrom, Chairman-Elect, East Valley Chambers of Commerce Alliance, Mesa

ARGUMENTS "AGAINST" PROPOSITION 103

Vote no on SCR 1005

The Arizona Corporation Commission is currently in the process of deregulating local telephone service, as well as the generation of electricity. Over the course of the next few years, the demand for Commission action will decline resulting in less work for the agency.

In addition, problems that have plagued the agency in recent years will not be solved by the further growth in government. Communication difficulties that many cite as a reason to support expanding the Commission from three to five members will not change as a result of a five member Commission.

In fact, the Open Meeting Law prohibits communication between members on matters that are before the Commission regardless of whether the Commission is comprised of three, five or fifty members. In short, communication prohibitions in place for three members will be the same for a Commission comprised of five. Thus, two members may not discuss matters pending before the Commission outside an Open Meeting.

Finally, expansion of the Commission will cost \$750,000 the first year, and roughly \$500,000 annually thereafter. This money would be better spent on other important initiatives such as education and health care.

While I am filing this statement as an individual, it is based on 16 years as a legislator and nearly six as a Commissioner. I strongly urge a NO vote on the initiative to expand the Commission from three to five members that is being presented on the premise that we should grow government to fix problems, real or perceived.

Carl J. Kunasek, Chairman, Arizona Corporation Commission, Mesa

Spelling, grammar, and punctuation were reproduced as submitted in the "for" and "against" arguments.

BALLOT FORMAT**PROPOSITION 103****PROPOSED AMENDMENT TO THE CONSTITUTION
BY THE LEGISLATURE****OFFICIAL TITLE**

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 PROPOSING AN AMENDMENT TO THE CONSTITUTION OF
 ARIZONA; AMENDING ARTICLE XV, SECTION 1,
 CONSTITUTION OF ARIZONA; RELATING TO CORPORATION
 COMMISSION MEMBERSHIP.

DESCRIPTIVE TITLE

AMENDING ARIZONA CONSTITUTION TO INCREASE
 NUMBER OF CORPORATION COMMISSIONERS FROM 3 TO 5;
 PERMITS COMMISSIONERS TO SERVE 2 CONSECUTIVE
 TERMS; REQUIRES PHASE-IN FOR TWO NEW
 COMMISSIONERS BEGINNING AT 2002 GENERAL ELECTION;
 CHANGES TERM OF OFFICE FOR CORPORATION
 COMMISSIONER FROM 6 TO 4 YEARS.

PROPOSITION 103

A “yes” vote shall have the effect of increasing the number of Corporation Commissioners from 3 to 5, permitting Commissioners to serve 2 consecutive terms, and changing the term of office for a Corporation Commissioner from 6 years to 4 years.	YES <input type="checkbox"/>
A “no” vote shall have the effect of retaining the membership of the Corporation Commission to 3 members and having Commissioners serve one 6-year term.	NO <input type="checkbox"/>